

File

August 8, 1985

TO: File

FROM: R. Harden, Reclamation Engineer ~~RA~~

RE: Bonding Calculations, Western Clay Company, Redmond
Bentonite Pit, ACT/041/012, Seveir County, Utah

Information and cost estimates provided by Western Clay on August 5, 1985 are sufficient for determination of the bond amount. The only additional calculation involves the inflation schedule of the estimated amount:

TOTAL ESTIMATE (1985\$) BY WESTERN CLAY \$6,911.80

INFLATION @ 3.79% PER YEAR (MEANS COST DATA)

INFLATION SCHEDULE -

1985\$	\$6,911.80
1986\$	\$7,173.76
1987\$	\$7,445.64
1988\$	\$7,727.83
1989\$	\$8,020.72
1990\$	\$8,324.70

TOTAL AMOUNT IN 1990\$ ROUNDED TO NEAREST \$100 = \$8,300.00

Western Clay may submit a bond amount for the area in the amount of \$8,300 to cover the bond for the next 5 years. Optionally, Western Clay may submit an annual bond, or update the bond amount annually in the amount equal to the next-year's bond amount. That is, for 1985, Western Clay would have to post the amount in 1986\$.

jvb

S. Linner
P. Grubaugh-Littig
L. Braxton

1004R-3